

Accounting Historians Journal

Volume 20

Issue 2 *December 1993*

Article 13

1993

Reviews [1993, Vol. 20, no. 2]

Patti A. Mills

Follow this and additional works at: https://egrove.olemiss.edu/aah_journal

Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Mills, Patti A. (1993) "Reviews [1993, Vol. 20, no. 2]," *Accounting Historians Journal*: Vol. 20 : Iss. 2 , Article 13.

Available at: https://egrove.olemiss.edu/aah_journal/vol20/iss2/13

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Accounting Historians Journal by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

REVIEWS

PATTI A. MILLS, EDITOR

Indiana State University

REVIEWS OF BOOKS AND OTHER PUBLICATIONS

Howard Jarausch and Kenneth Hardy, *Quantitative Methods for Historians* (Chapel Hill: University of North Carolina Press, 1991, 247 pp., \$11.95)

Reviewed by

Stephen J. Young

Case Western Reserve University

The book *Quantitative Methods for Historians* provides a practical guide to the use of statistics in historical research. It takes its readers on an intriguing tour through the initially mystifying realm of statistical analysis. The authors use excellent examples to demonstrate the value and ease with which varying levels of quantification can be applied to the subject.

The book is both an advocate and a guide to the statistical study of past events. The authors feel strongly that quantification can be very helpful in studying history. They take issue with those who feel the statistics taint historical study, suggesting quantitative analysis is merely another angle of investigation. The book begins and ends with a defense of the use of statistical methods.

Of major issue is the value of rigorous statistics to historical research. On this position, the authors are clearly in favor of some level of quantification. They point out that quantitative information can explain certain types of information efficiently, and discuss both advantages and disadvantages of the use of statistics. The first three chapters are dedicated to explaining the value and limitations of statistics to the historian.

The discussion of computer use in the research process is a central issue in the work. Several chapters discuss the fundamentals of computerized research. They focus on explaining the basics of word processing, database use, and statistical packages. Much practical advice is given on how to package a sample into a form amenable to computer use.

The remainder of the book is a general overview of statistical procedures. The book assumes no prior statistics knowledge. It therefore begins with the basics of sampling and data collection and preparation. It then discusses statistical topics varying from simple mean and standard deviation concepts to complex multi-equation regression formulation.

The authors attempt to avoid the complex mathematics of the processes, instead focusing on the interpretation of results. They do this by using extended examples of real data taken from the Colonial period of American history. This methodology goes a long way to enliven an otherwise dull topic. It also helps to explain how potentially complex statistical relationships are interrelated.

The coverage of statistical procedures is extensive. However, it is also necessarily somewhat brief. This shortfall is understandable given the sheer magnitude of their chosen topic. Instead, the authors stress the availability and ease of statistical computations by giving readers a wide variety of samples. They focus on the advent of micro-computing power and its ability to handle even large data sets efficiently. At the same time, computers provide an operational simplicity that attracts a wide group of non-mathematicians.

It becomes obvious that the authors feel strongly about the value that the application of statistics would bring to historical study. However, they make clear that statistics are not always an appropriate tool of explanation. This subtle, but important, point is often overlooked by novice statisticians.

The last chapter is dedicated to reiterating the role of quantitative methods in the study of history. The authors are critical of those who deride the use of statistics in history. The critics suggest that much historical data is too incomplete for the proper application of statistics. This contention is simply incorrect. Statistics can be tailored to overcome such problems. The use of all available tools of discovery can provide value to the study of history.

In their urge to promote quantification, the authors fail to explain the training required to properly interpret statistical results. Like all sophisticated instruments, statistics can be dangerous to the uninitiated. Readers should not be lulled into a false sense of expertise after reading this work. Statistics and their interpretation are not quite as simple as the authors would have us believe.

The greatest value of this book is its simplicity. Simplicity is also its chief source of weakness. The book is an excellent entrance into the vast realm of statistical analysis. It provides a brief tour through that large universe. No single work could fully explain the breadth of statistics that are mentioned in this work. The book only briefly touches on the more complex topics.

In summary, *Quantitative Methods* explains basic statistical concepts clearly and practically. The book discusses the problems and rewards of quantitative analysis. It also provides a brief but enlightening discussion of such methods. The authors intended that the book be a guide to historians. They have done remarkably well in fulfilling that goal.

Thomas J. Burns, Ed., *U.S. Accounting History 1965-1990*, Proceedings of The Accounting Hall of Fame Conference, November 20-21, 1992. Sponsored by The Academy of Accounting Historians and the College of Business of The Ohio State University (Columbus, Ohio: College of Business, 1992, 118 pp., \$10).

Reviewed by
Richard Vangermeersch
University of Rhode Island

Spoken words at a conference are, most times, quickly forgotten by listeners, no matter how prestigious the speakers and how carefully the listeners take notes. In order to be a permanent part of the literature, these spoken words need to be preserved. A video of a conference provides the viewer with a portrayal of the speakers, their asides, and their body language, and, hence, provides a better view of the human aspects of the issues involved. The joint efforts of The Academy of Accounting Historians and the College of Business of The Ohio State University have provided the best of all possible worlds. This book is an excellently transcribed and edited version of the spoken words of some of the most significant accounting academics and practitioners of the second half of the twentieth century. Interested persons can borrow a video of the conference either from The Academy or from Ohio State. This book and the video can be used as a package for many purposes.

The Accounting Hall of Fame Conference had three sessions, in which many of the panelists attended all three sessions. This allowed for interplay between the panelists at the sessions. There also was a limited audience at all three sessions

but these attendees spoke and interacted with the panelists. Hence, the conference and its transcribed record attained a level of continuity throughout the sessions. This was helped by the moderators, who kept the panelists focused on such a common topic as "What were the highs and lows of the period from 1965-1990?"

The first panel was comprised of academics and was moderated by Professor Steven A. Zeff of Rice University. The panelists were all members of The Accounting Hall of Fame, which is housed at Ohio State. They were: Robert Anthony; Norton Bedford; Sidney Davidson; Charles T. Horngren; Maurice Moonitz; and David Solomons. Yuji Ijiri spoke briefly at the end of the Conference. These men truly need no further introduction to those interested in accounting history.

Four examples of "highs" were: the much higher level of research tools used by accounting research; the development of management accounting; the much better reception of accounting professors at universities; and the case method. Four examples of "lows" were: the lack of knowledge about institutions by accounting professors; the benign neglect of traditional topics in accounting; the lack of debate on important issues; and the failure to have a dialogue with FASB. Since Dennis Beresford, FASB Chairman, was a special guest at the Conference, and an active participant in the three sessions, there definitely was a dialogue with FASB at this Conference.

The second panel was comprised of representatives from industry. As most accounting academics have more than adequate exposure to their colleagues and to public accountants, this panel allowed for a forum much needed by accounting academics. The moderator was Professor James Don Edwards of the University of Georgia. The panelists were: Eugene Flegm, General Motors; Gaylen Larson, Household International; John Quindlen, DuPont; Michael Sullivan, Shell Oil; and Christopher J. Steffen, Honeywell.

Four examples of "highs" were: the much higher level of sophistication of users of financial statements; the input of the Committee of Corporate Reporting of the Financial Executive Institute; SFAS No. 106 on post-employment benefits; and the 5 to 2 vote to pass an SFAS. Four examples of "lows" were the failure of the FASB to see financial executives as both "preparers" and "users" of financial statements; specific rules to replace judgment; SFAS No. 96 on accounting for income taxes;

and SFAS No. 33 on inflation. An interesting discussion was held about financial accounting domination of management accounting.

The third panel was comprised of leaders of the public accounting profession, both past and present. The moderator was Professor Robert K. Mautz, a member of The Accounting Hall of Fame. The panelists were J. Michael Cook, Deloitte & Touche; Philip Defliese, Coopers & Lybrand and a member of The Accounting Hall of Fame; Robert K. Elliott, KPMG Peak Marwick; Duane Kullberg, Arthur Anderson; Raymond C. Lauver, Price Waterhouse and FASB; Herbert E. Miller, Arthur Andersen and the University of Georgia, as well as a member of The Accounting Hall of Fame.

Four examples of "highs" were the increased sophistication of the clients' personnel; the explosion of information technology; the growth of the transnational accounting firms to serve the global marketplace; and the realization that one can be both a professional and concerned with business aspects as well. Four examples of "lows" were: the litigation explosion; the lower value placed by users on the financial statements; specificity replacing judgment; and the deadening effect of regulation on needed product/service development. An interesting discussion took place on the topic of losing clients because of ethical concerns.

This fine transcription of this excellent conference provides much "grist-for-the-mill" in honors sections for accounting undergraduates and for class discussions in accounting graduate courses. This book, along with a viewing of the video, would be much to make recent accounting history exciting to students and to our colleagues. The book gives fine examples of the ethical interest of those in leadership roles in accounting. Tom Burns has done another fine job.

Hugh M. Coombs and J. R. Edwards, Eds, *Local Authority Accounting Methods, Problems and Solutions, 1909-1934* (New York: Garland Publishing Inc., 1992, 370 pp., \$70).

Reviewed by
Rowan Jones
University of Birmingham

This book is a reproduction of 31 articles on British local government accounting published during the period of its title.

It is offered as a comparison to an earlier collection in this series, by the same editors, called *Local Authority Accounting Methods: The Early Debate 1884-1908* (1991).

The idea of these books is an excellent one. The material is important in understanding accounting and regardless of what one might wish to be the case, these kinds of papers would not otherwise be accessed by most accounting researchers.

Moreover, for this book the editors have chosen papers that largely deal with issues in which accounting in business organizations confronted accounting in municipal corporations. One consequence is that some of the discussion will have more immediate resonance for researchers who have a conventional accounting background. The most obvious example, perhaps, is an extract from and elaboration on, the 1878 decision by the Inland Revenue to allow depreciation against tax on profits [p. 37]; but there are many others.

In local government accounting's own terms, there is a particular relevance to this second book. The period with greatest historical significance (judged in the context of British local government's history from the Middle Ages to the early 1980s) was the first decade of the twentieth century. What this book provides, then, is a re-capitulation of the more generally-accepted arguments from the earlier controversies, especially in the light of changes in the law and practice that had taken place subsequently.

The main topics covered by the papers are: publication of accounts, pricing of municipal trading services, costing for electricity and tramways, overhead allocation, income tax and capital accounting. The authors were, for the most part, professional accountants employed in local government, although councillors also contribute and there is some official material.

This book is to be unreservedly recommended to accounting historians. However, it must be said that it is a pity that the short introduction should have spoilt the overall effect of the book. This includes an unsuccessful attempt to rationalize the editors' choice of articles from *The Accountant* to the exclusion of articles from the *Financial Circular* on the basis that the latter was acting as a censor! Accounting historians do not yet have the luxury of objecting to the reproduction of articles on the ground that a better balance would have been provided by choosing other journals. When such a balanced judgment is required, it will come from cogently-argued theses, which may

then lead to selections based on a thesis. The point is that there *were* interesting articles in the *Financial Circular* during this period, as there were in other accounting journals, which are worth reading. But as disappointing as the editors' rationalization is, it cannot detract from the valuable contribution that the reproduced articles will make to accounting history.